

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



A17 \*A7GHOW9V\*  
13/10/2018 #101  
COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 1 7 5 9 4 6 7	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Selec Systems Limited	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	Stephen James	
Surname	Hobson	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	Centenary House	
Street	Peninsula Park	
Post town	Rydon Lane	
County/Region	Exeter	
Postcode	E X 2 7 X E	
Country		
<b>4</b>	<b>Administrator's name ①</b>	
Full forename(s)	Lucinda Clare	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Coleman	
<b>5</b>	<b>Administrator's address ②</b>	
Building name/number	Centenary House	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	Peninsula Park	
Post town	Rydon Lane	
County/Region	Exeter	
Postcode	E X 2 7 X E	
Country		

AM10

Notice of administrator's progress report

6

Period of progress report

From date	d	1	d	6	m	0	m	3	y	2	y	0	y	1	y	8
To date	d	1	d	5	m	0	m	9	y	2	y	0	y	1	y	8

7

Progress report

☐ I attach a copy of the progress report

8

Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	1	d	2	m	1	m	0	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Nick Harris**

Company name **Francis Clark LLP**

Address **Centenary House**  
**Peninsula Park**

Post town **Rydon Lane**

County/Region **Exeter**

Postcode **E X 2 7 X E**

Country

DX

Telephone **01392 667000**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

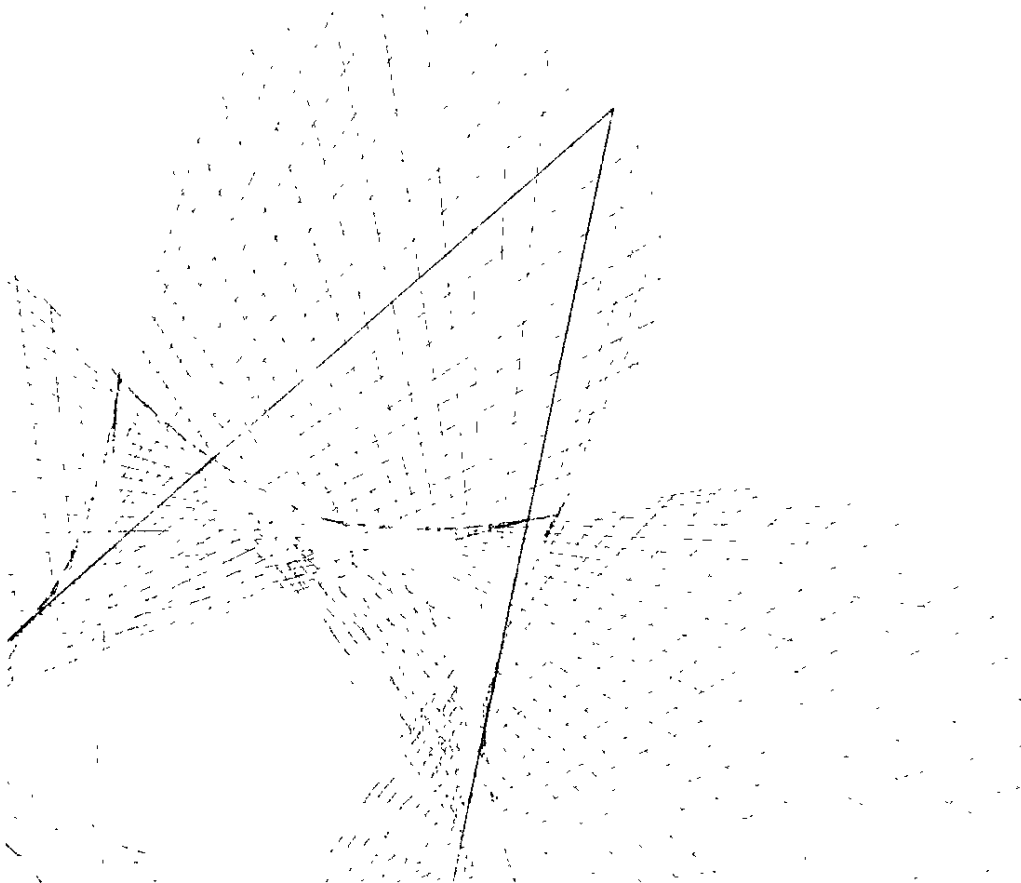
# **Joint Administrators' Progress Report**

**Selec Systems Limited  
- In Administration**

**15 September 2018**

**PKF FRANCISCLARK**

Chartered accountants & business advisers



## **SELEC SYSTEMS LIMITED - IN ADMINISTRATION**

### **CONTENTS**

- 1** Introduction
- 2** Progress of the Administration
- 3** *Pre-administration Costs*
- 4** Joint Administrators Remuneration
- 5** Estimated Outcome for Creditors
- 6** Ending the Administration
- 7** Creditors' Rights
- 8** Next Report

### **APPENDICES**

- A** Receipts and Payments Account from 16 March 2018 to 15 September 2018
- B** Time Analysis for the period 16 March 2018 to 15 September 2018
- C** Additional Information in Relation to the Joint Administrators Fees, Expenses & Disbursements
- D** Estimated Outcome Statement as at 15 September 2018

## THE JOINT ADMINISTRATORS' PROGRESS REPORT

### 1 Introduction

- 1.1 I, together with my colleague Lucinda Clare Coleman, was appointed as Joint Administrator of Selec Systems Limited on 16 March 2018. The appointment was made by the sole director of the Company, Mr Ray Self.
- 1.2 This Administration is being handled by Francis Clark LLP at Centenary House, Peninsula Park, Rydon Lane, Exeter, EX2 7XE. The Administrators' contact details are by phone on 01392 667000 or via email at [business.recovery@francisclark.co.uk](mailto:business.recovery@francisclark.co.uk). The Administration is registered in the High Court of Justice, reference number 64 of 2018.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <http://francisclarkinsolvency.co.uk/creditor-login/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The trading address of the Company is Vale Lane Works, Vale Lane, Axminster, EX13 5PX.
- 1.5 The registered office of the Company is Centenary House, Peninsula Park, Rydon Lane, Exeter, EX2 7XE and its registered number 01759467.
- 1.6 As Joint Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 16 March 2018 to 15 September 2018 (the Period) and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.

### 2 Progress of the Administration

- 2.1 You may recall that the statutory objective being pursued in the Administration was achieving a better result than would be likely if the company were wound up. In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2.3 At Appendix A is my Receipts and Payments Account covering the period of this report.
- 2.4 Attached at Appendix B is a time analysis outlining the time spent by the Administrators and their staff during the Period.
- 2.5 Further information about the basis of remuneration agreed in this case and the Administrators' fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

#### *Administration (including statutory compliance & reporting)*

- 2.6 As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate/information.
- 2.7 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated,

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.

- 2.8 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

### *Realisation of Assets*

#### **Book debts**

- 2.9 The book debts were factored to RBS Invoice Finance Ltd (RBSIF). RBSIF had been notified of the company insolvency by the Company's accountants Thomas Westcott, prior to my appointment and had instructed collection agents Credebt to collect their book debts.
- 2.10 I requested an up to date position from Credebt after my appointment. The report at 27 March 2018 showed debts due of £188,818 of which £100,617 was estimated to be collectable. RBSIF had funds in use of £70,715 at 27 March 2018.
- 2.11 I have been corresponding with Credebt and the director in order to try to maximise returns from the ledger and providing them with paperwork where customers have provided reasons for non-payment or counter claims.
- 2.12 A significant payment from one customer, JD Sports, of £90,308 was paid on 17 April 2018 which meant that RBSIF has been paid in full. The final balance paid to RBSIF after termination charges is £75,347.72.
- 2.13 Credebt finished all of what they considered to be realisable book debt collections in May 2018 having collected £100,428.37. Further receipts of £2,828.40 have been received since Credebt finished collections. No more realisations are expected from the book debts.
- 2.14 I am considering whether there is a VAT bad debt relief claim in respect of the book debts written off. This may lead to further realisations.

#### **Chattel assets**

- 2.15 Fixtures, Fittings and Equipment, Stock and Motor Vehicles of the company were inspected and valued by William Furnival who is a professional valuer and auctioneer (F.N.A.V.A) on 7 March 2018. The valuation was prepared on the basis of both in-situ and removal for auction.

#### **Fixtures, Fittings and Equipment/Stock**

- 2.16 Mr Furnival gave an overall valuation for F,F&E and Stock of £3k at auction before costs of collection, sorting, testing and commission.
- 2.17 The majority of stock had already been used and had been returned for reasons of malfunction, and would be necessary to test and repair. Therefore a provision was made in the valuation for the stock being "spares or repair".
- 2.18 An offer was made for the residual stock by Ray Self, the former director of the Company (on behalf of Recon CCTV, an unincorporated business through which he trades) on 13 April 2018 for the remaining stock of the Company of £3,500 plus VAT.
- 2.19 An offer was made for the Fixtures and Fittings by Ray Self (on behalf of Selnet Systems Limited, a company in which he is a director and majority shareholder) on 13 April 2018 for the fixtures and fittings of the Company of £500 plus VAT.
- 2.20 These offers were forwarded to William Furnival of MST Auctioneers and he recommended accepting both on the basis that the net return to the administration would be considerably less

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

if the offers were not accepted after taking into the costs detailed above of collection, sorting, testing and commissions.

- 2.21 The residual stock has been paid for in full.
- 2.22 No payments have been received from Selnet (Co) Limited for the fixtures and fittings. The administrators have been pursuing Selnet for this balance. The administrators hold retention of title over the fixtures and fittings. See further information regarding the balance due from Selnet below at 2.34.
- 2.23 The company also has some unsold stock that was supplied by Infinite Distribution that is located at the former company premises. Per the director this stock cost c £8k. The director has provided a listing of the items and photos of this stock were taken prior to my appointment.
- 2.24 It was originally thought that this stock was subject to finance from Henry Howard Finance ('HH'). After discussions and correspondence with HH and Ray Self and a review of paperwork/agreements, I conclude that this stock is not subject to finance with HH. However, it may be subject to retention of title from its supplier. I requested that the supplier complete a retention of title questionnaire in order to consider their claim on this stock. The supplier has completed the questionnaire but I am awaiting some clarification. I will report further to creditors on this matter.

### Balance due from Selnet (Co) Limited/Motor Vehicle

- 2.25 My first involvement with the company and its director was at a meeting on 23 February 2018 to discuss the Company's options.

Prior to this date there was a balance of £15,303.96 due from Selnet to Selec. This balance was made up of:

	£
Motor vehicle	3,400.00
Work in progress	3,016.80
Intercompany balance	6,336.50
Total	<u>12,753.30</u>
Plus VAT	2,550.66
Total	<u>15,303.96</u>

- 2.26 Selnet is an associated company as Ray Self is a director and majority shareholder of this Company.
- 2.27 The Company owned one vehicle which was free from finance; a Ford Kuga. The director gave the car a valuation of £3,400 which was what he was offered by a dealer for the car.
- 2.28 The Company had limited work in progress when it ceased to trade on 31 January 2018. Three jobs were incomplete. It was proposed by the director that Selnet, complete these jobs and apportion the invoices between the two companies.
- 2.29 It was believed that if the work was left incomplete, the contract would have terminated and likely resulting in no benefit being realised for Selec. In the circumstances, a sum of £3,016.80 is due to the Company.
- 2.30 The Company's records show a balance of £6,336.50 due from Selnet to the Company by way of other inter-company transactions.
- 2.31 The administrators are investigating all of the above transactions as part of their investigations as detailed below.



## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

- 2.32 Selnet paid £10,000 into the administrators' client account on 7 March 2018 as a payment on account of the above balance due between the two companies. I have been pursuing Selnet (Co) for the balance of the amount due to Selec.
- 2.33 On 6 April 2018 Ray Self emailed to inform me that Selnet did not require the Ford Kuga and were not in a position to pay for it.
- 2.34 William Furnival of MST Auctioneers was instructed to collect the vehicle and sell it at auction on behalf of Selec. The vehicle was sold at auction on 1 May 2018 by MST for £3,500.
- 2.35 Taking into account the return of the vehicle Selnet still owes Selec £1,223.96.
- 2.36 As detailed above at 2.22 an amount of £600 (£500 plus VAT) is also due from Selnet in respect of the fixtures and fittings purchased. Therefore the total owed from Selnet to Selec is £1,823.96. The administrators have been pursuing this balance. The administrators have given Selnet a date by which the payment must be paid or they will instruct debt collectors to collect the balance on their behalf.

### Cash at bank

- 2.37 £2,506.61 was held in a Thomas Westcott client account and this balance was transferred to a Francis Clark client account prior to my appointment as administrator. I do not expect any further realisations regarding Cash at bank.

### Other assets

- 2.38 An unexpected refund of £79 was received from DVLA. I do not expect any further realisations to be received.
- 2.39 Further information on the estimated outcome of the Administration can be found in Appendix D.
- 2.40 The work the Administrators and their staff have undertaken to date will bring a financial benefit to creditors. This has resulted in a dividend to secured creditors of the Company and may, depending on realisations, result in a distribution to the preferential and unsecured creditors of the Company.

### Creditors (claims and distributions)

- 2.41 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which have included retention of title claims), but also those of any secured and preferential creditors of the Company.
- 2.42 Claims from preferential creditors involved employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.43 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.
- 2.44 I consider the following matters worth noting in my report to creditors at this stage:
- I have received 25 unsecured creditor claims in this case with a value of £327,368.46. I believe there are a further 52 unsecured creditors who are yet to claim.

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

- Per the directors statement of affairs £86,423.06 was owed to RBS Invoice Finance who were granted a fixed and floating charge on 5 January 2016. As noted above RBSIF have been paid in full.
- 12 employee claims are being dealt with
- I anticipate claims from preferential creditors totalling £2,348.66 which are likely to be paid in full.

### *Investigations*

- 2.45 Some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Administrators can pursue for the benefit of creditors.
- 2.46 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.47 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire. This investigation is ongoing.

### *Sale of Assets to Connected Parties*

- 2.48 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a party connected with the Company:

Date or transaction	Assets involved & nature of transaction	Consideration due	Paid to date	Sold to	Relationship
13 April 2018	Company Stock	Total £4,200 inc VAT (being paid in instalments of - £500, £1,000, £1,000, £1,000 and £700)	£4,200 inc VAT	Recon CCTV	Unincorporated business of which Ray Self is sole proprietor
13 April 2018	Fixtures and fittings	£600 inc VAT	NIL	Selnet Systems Limited	Company which Ray Self is director and majority shareholder

- 2.49 The Joint Administrators' consider these sales to be in the best interests of all creditors of the company because MST Auctioneers, advised that this offer was in excess of what any other external party would be likely to offer, and also meant that there would be no additional costs of collection, sorting, testing and commissions.
- 2.50 No consultation was made with a creditors committee as no committee had been formed at this time.

## **3 Pre-administration Costs**

- 3.1 On 25 May 2018 the following amounts in respect of pre-administration costs were approved:

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

Name of recipient	Brief description of services provided	Total amount approved £
Francis Clark	Assisting the company direct in placing the company into administration	4,000 plus VAT Disbursements of 24 plus VAT
Kitsons LLP	Preparation of the Administration documents	2,428 inclusive of disbursements and VAT

- 3.2 A refund of £50 was received from Kitsons LLP on 3 September 2018 in respect of a refunded court fee.

### 4 Joint Administrators' Remuneration

- 4.1 The basis of the Administrators' fees has been fixed in the Administration by reference to the time properly spent by him and his staff in managing the Administration. My fees estimate/information was provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

- 4.2 A copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration	66.00	164.34	10,846.70
Realisation of assets	38.00	211.75	8,046.31
Creditors	33.00	168.73	5,568.20
Investigations	26.00	139.07	3,615.91
Total estimated fees	163.00	172.25	28,077.12

- 4.3 My time costs for the Period are £25,712.92. This represents 142.00 hours at an average rate of £181.08 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration. To date, £22,019.33 plus disbursements of £147.28 has been drawn on account.
- 4.4 Costs for administration are higher in this case than was originally included in my fee estimate. More time was spent by more senior members of my team on matters due to the nature of queries received and complexities on this case. However at the date of this report my overall fees estimate for the case remains unchanged.
- 4.5 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://francisclarkinsolvency.co.uk/creditor-login>.
- 4.6 Attached at Appendix C is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

4.7 The following expenses have been incurred since my appointment as Joint Administrator

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Timecut Limited	Statutory advertising	68.70	68.70	Nil
MST Auctioneers	Valuation and sale of company's assets	742.50	742.50	Nil
Willis Towers	Statutory bond	55.00	55.00	Nil
Private Matters	Collection of books and records	97.50	97.50	Nil
2020 Trustees	ERA pension claim information	250.00	Nil	250.00

## 5 Estimated Outcome for Creditors

5.1 An Estimated Outcome Statement as at 15 September 2018 is attached at Appendix D.

### *Secured Creditors*

5.2 RBS Invoice Finance holds a fixed and floating charge over the Company's book debts. At the date of the Administration the indebtedness to the secured creditor was estimated at £70,175.05 and has now been agreed at £75,347.72, and this amount has been collected in full.

### *Preferential Creditors*

5.3 The statement of affairs estimated preferential creditor claims of £2,348.66 from the redundancy payments service for outstanding holiday pay due to former Selec employees and the outstanding payments to a pension scheme. These claims have not been agreed. I anticipate preferential creditors will be paid in full.

### *Unsecured Creditors*

5.4 I have received claims totalling £327,368.46 from 25 creditors. I have yet to receive claims from 53 creditors whose debts total £419,488.98 as per the Company's statement of affairs.

5.5 The Company granted a fixed and floating charge to NatWest Bank plc on 3 December 1991. Accordingly, there is no requirement for the Administrators to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003. Furthermore it appears from the Company books and records that no debt is due to NatWest Bank plc.

5.6 As detailed above, the Company also granted a fixed and floating charge to RBS Invoice Finance Limited on 5 January 2016. RBS Invoice Finance Limited have been paid in full under their fixed charge over the book debts.

5.7 Based on present information, I anticipate a dividend of c 1p in the £ will be available to the unsecured creditors. As a result, unless it is more expedient to make an application to court to allow this to be distributed in the Administration, I anticipate that the Company will exit into Creditors' Voluntary Liquidation in due course to facilitate the payment of a dividend to the unsecured creditors. Further details will be provided in due course.

## 6 Ending the Administration

### *Creditors Voluntary Liquidation*

6.1 Based on present information it appears that a dividend will be paid to unsecured creditors. If there is a dividend and it is not paid before the automatic end of the Administration the Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation (CVL)

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

to facilitate this distribution. As per the Joint Administrator's proposals the Joint Administrators will become Joint Liquidators of the CVL.

### *Dissolution of the Company*

- 6.2 If all assets are realised and all matters dealt with before the automatic end to the Administration and sufficient funds are available to make a distribution to unsecured creditors the Administrators can pay this distribution in the Administration, alternatively all matters may be dealt with before the automatic end to the Administrator and the Company will have no property to enable a distribution to creditors. In either case it is then proposed that the Administrator's will file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company. They will send copies of these documents to the Company and its creditors. The Administrators' appointment will cease following registration of this notice by the Registrar of Companies.
- 6.3 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

## **7 Creditors' Rights**

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

## **8 Next Report**

- 8.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it.

  
.....  
Stephen Hobson  
Joint Administrator

12 October 2018  
.....  
Date

# SELEC SYSTEMS LIMITED - IN ADMINISTRATION

## Appendix A

### Receipts and Payments Account from 16 March 2018 to 15 September 2018

S of A £		£	£
	<b>SECURED ASSETS</b>		
90,555.62	Book Debts	103,256.77	
(70,175.05)	Due to: RBS Invoice Finance Limited	(75,347.72)	
	Less: Debt Collection Expenses	(5,540.78)	
			22,368.27
	<b>ASSET REALISATIONS</b>		
400.00	Furniture, Fittings & Equipment	NIL	
	Motor Vehicles	3,500.00	
3,100.00	Stock	3,500.00	
5,303.90	Balance due from Selnet (Co) Ltd	NIL	
	Insurance Refund	2,651.61	
12,252.21	Cash at Bank	12,506.61	
	Bank Interest Gross	19.37	
	Sundry Refund	79.16	
			22,256.75
	<b>COST OF REALISATIONS</b>		
	Professional Fees	1,838.00	
	Specific Bond	55.00	
	Assisting the director in placing the company into administration	4,024.30	
	Office Holders Fees	22,019.33	
	Statutory Advertising	68.70	
	Mileage	23.58	
	Agents/Valuers Fees	742.50	
	Collection of Books and Records	97.50	
			(28,868.91)
	<b>PREFERENTIAL CREDITORS</b>		
(1,845.50)	Employee Hol Pay	NIL	
(503.10)	Pension Schemes	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(161,499.72)	Trade & Expense Creditors	NIL	
(54,926.95)	Employees	NIL	
(21,315.85)	Landlord	NIL	
(164,726.35)	Banks/Institutions	NIL	
(157,549.59)	HMRC - PAYE	NIL	
(48,000.00)	HMRC - VAT	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(179,958.00)	Share Premium	NIL	
(140.00)	Ordinary Shareholders	NIL	
			NIL
(749,028.44)			<b>15,756.11</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable	5,706.18	
	Bank Current Account - interest bearing	10,749.93	
	Vat Payable	(700.00)	
			<b>15,756.11</b>

[illegible]

## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

### Appendix C

#### Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

#### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

#### 2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Kitsons LLP (legal advice)	Fixed Fee plus VAT and disbursements
2020 Trustees (pension advice)	Fixed Fee plus VAT

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

#### 3 Joint Administrators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrators' Proposals Report a copy of which is set out below:

Expense	Estimated cost £
Agents' costs for sale of chattel assets	375.00
Debt collection fees (5% of realisations)	211.40
Insurance	200.00
Statutory advertising	68.70
Specific penalty bond	30.00
External storage of company's books and records	500.00
Re-direction of the Company's mail	204.00
Category 2 disbursements charged by the firm:	
Business mileage	47.16



## SELEC SYSTEMS LIMITED - IN ADMINISTRATION

### *Current position of Joint Administrators' expenses*

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs for sale of chattel assets	742.50	-	742.50
Debt collection fees (5% of realisations)	5,540.78	-	5,540.78
Insurance	-	-	-
Pension scheme report	-	250.00	250.00
Statutory advertising	68.70	-	68.70
Specific penalty bond	55.00	40.00	95.00
External storage of company's books and records	-	125.00	500.00
Category 2 disbursements	23.58	22.73	46.31
Business mileage			

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Administrators' Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

## **4 Charge-Out Rates**

- 4.1 Francis Clark LLP's current charge-out rates effective from 1 July 2018 are detailed below. Please note this firm records its time in minimum units of 36 Seconds.

### Charge out Rates

Partner	£290
Senior Manager	£235
Manager	£170-195
Administrator	£135
Junior Administrator	£95
Support	£75

# SELEC SYSTEMS LIMITED - IN ADMINISTRATION

## Appendix D

### Estimated Outcome Statement as at 15 September 2018

	£	£	£
	Realised to date	Estimated future realisations	Total Realisations
<b>ASSETS SUBJECT TO A FIXED CHARGE:</b>			
Book debts	103,256.77	0.00	103,256.77
Less: Due to RBS Invoice Finance Limited	(75,347.72)	0.00	(75,347.72)
Less: Debt collection expenses	(5,540.75)	0.00	(5,540.75)
Surplus			22,368.27
<b>ASSETS NOT SUBJECT TO A CHARGE:</b>			
Furniture, Fittings & Equipment	0.00	500.00	500.00
Stock	3,500.00	0.00	3,500.00
Motor Vehicles	3,500.00	0.00	3,500.00
Balance due from Selnat (Co) Limited	0.00	1,223.96	1,223.96
Cash at bank	12,506.61	0.00	12,506.61
Surplus brought down	22,368.27	0.00	22,368.27
Other assets	2,750.14	0.00	2,750.14
<b>TOTAL ASSETS</b>	<b>44,625.02</b>		<b>46,348.98</b>
<b>COSTS OF ADMINISTRATION:</b>			
Pre administration costs	5,862.30	0.00	5,862.30
Administrators' fees	22,019.33	6,057.79	28,077.12
Administrators' disbursements	244.78	0.00	244.78
Other professional costs	0.00	250.00	250.00
Agents' fees	742.50	0.00	742.50
<b>TOTAL COSTS OF ADMINISTRATION</b>	<b>(23,868.91)</b>		<b>(23,868.91)</b>
<b>Available for preferential creditors</b>			<b>11,172.28</b>
Preferential creditors			(12,347,000)
<b>Available for unsecured creditors</b>			<b>8,823.62</b>
Unsecured creditors			
Trade & expense creditors			161,499.72
Employees			54,926.95
Landlord			21,315.85
Banks/Institutions			164,726.35
HM Revenue & Customs			205,549.59
Total			(608,018.46)
<b>Dividend to unsecured creditors</b>			<b>1.45 p in the £</b>
<b>Deficiency to unsecured creditors</b>			<b>(599,194.84)</b>
<b>Members</b>			
Share premium			179,958.00
Ordinary shareholders			140.00
Total			(180,098.00)
<b>Deficiency to members</b>			<b>(79,292.31)</b>